

# **EXHIBIT 6**

Jeanette Jennings 30(b)(6) 12/19/2007  
Philip Wong, et al. v. HSBC Mortgage Corporation, et al.

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IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

COPY

PHILIP WONG, FREDERIC )  
CHAUSSY, and LESLIE MARIE )  
SHEARN, individually, on )  
behalf of all others )  
similarly situated, and )  
on behalf of the general )  
public, )

Plaintiffs, )

vs. )

No. 3:07-cv-2446 MMC

HSBC MORTGAGE CORPORATION )  
(USA); HSBC BANK USA, )  
N.A.; and DOES 1 through )  
50, inclusive, )

Defendants. )

30(b)(6) VIDEOTAPED DEPOSITION OF  
JEANETTE JENNINGS

Taken December 19, 2007  
Commencing at 9:08 a.m.

REPORTED BY: MELANIE L. HUMPHREY-SONNTAG, RDR, CRR, CSR  
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Jeanette Jennings 30(b)(6) 12/19/2007  
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30(b)(6) videotaped deposition of  
JEANETTE JENNINGS taken on December 19, 2007,  
commencing at 9:08 a.m., at the law firm of Littler  
Mendelson, P.C., Suite 2900, 200 North LaSalle  
Street, before Melanie L. Humphrey-Sonntag,  
Registered Diplomate Reporter, Certified Realtime  
Reporter, and Notary Public of and for the State of  
Illinois.

\*\*\*\*\*

APPEARANCES

On Behalf of the Plaintiffs:

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Also Present: Mr. Bruce Witty, Videographer

NOTE: The original transcript will be filed  
with Mr. Schwartz, pursuant to the applicable Rules  
of Civil Procedure.

1 one of our colleagues to assist us. That's rare but  
2 it's usually when we have an uptick in hiring, but  
3 that is -- that is very rare. I can't say -- name  
4 just anyone because it could be anyone to assist us.

5 Q. Now, what are you typically looking for in  
6 a -- a loan officer that you're seeking to -- a loan  
7 officer vacancy that you're seeking to fill?

8 A. You mean skills? What exactly -- what do  
9 you mean? I'm looking for them --

10 Q. What criteria do you have? Yeah.

11 A. As far as a loan officer, typically what  
12 we're looking for, obviously, is having some  
13 industry experience. It would also depend upon the  
14 manager. The manager may say, "I'm willing to train  
15 on that mortgage experience. I'm looking for  
16 someone who has certain behaviors, retail  
17 experience, sales experience," that kind of thing.

18 But predominantly, if we're looking at -- on  
19 average, it would be someone who has retail-type  
20 sales experience, whether in financial services  
21 industry or within mortgage industry.

22 And, obviously, appear to have been  
23 successful in doing so.

24 Q. The primary thing that you'd be looking for  
25 would be somebody who has demonstrated or who you

1 believe would be a good salesperson?

2 A. Having a true entrepreneurial spirit, that's  
3 right.

4 Q. Entrepreneurial spirit?

5 A. Uh-huh.

6 Q. How do you differentiate that from a good --  
7 good sales -- good potential as a salesperson?

8 A. I would differentiate between the two, as  
9 far as being a good salesperson -- one is someone  
10 who is able to counsel their employee -- excuse me,  
11 their -- their customers, provide the right advice,  
12 doing all of the right things in order to make sure  
13 the sale is -- is -- is closed and it goes through  
14 successfully.

15 As far as an entrepreneurial, having that  
16 spirit, is making sure they're surrounding  
17 themselves with the right centers of influence,  
18 they're seeking out -- in this case of loan  
19 consultants, are they visiting the Realtors? Are  
20 they visiting the accountants? Are they visiting  
21 attorneys? anyone who would be able to give them  
22 those referrals, as well as visiting the branches,  
23 making sure that -- "Hey, you know, I'm referring  
24 business to you. All right. How can I assist you?"  
25 You know, making sure that those relationships are

1 maintained.

2 So it's -- relationship manager type of  
3 entrepreneurial is also what we would -- we would  
4 expect because that is the expectation.

5 So that's how I would differentiate between,  
6 you know, sales -- you have to have that to be the  
7 entrepreneur, but the entrepreneur is also knowing  
8 what needs to be done and going out to do that, to  
9 build my business.

10 Q. Now, these employees, the loan officers,  
11 would acquire their skill by experience, rather than  
12 by some advanced, specialized intellectual or  
13 academic instruction; correct?

14 A. I'm -- I'm not quite -- I'm not quite sure  
15 of your question. Can you clarify?

16 Q. That the -- that the loan officers would  
17 acquire their skill -- they would hone their loan  
18 officer abilities by experience, as opposed to by  
19 advanced, specialized academic or intellectual  
20 instruction?

21 A. I would disagree. I would think it would be  
22 both. All right. Some who have -- if you have  
23 the -- the advanced degrees, if you will --  
24 obviously, with finance and understanding that --  
25 that also -- that's also a help.

1 commissions are paid?

2 A. Not the policies, no.

3 Q. She just --

4 A. They're strictly on the financial end.

5 Q. She administers the commission system  
6 that's --

7 A. Right.

8 Q. -- developed elsewhere?

9 A. Right.

10 Q. And who develops the policies as to how loan  
11 officers get paid on a -- their commissions?

12 A. It's between the business -- so the head of  
13 the business, David Gates -- with the approval of  
14 the executive vice president, in conjunction with  
15 finance. In other words, do they all make sense?  
16 Once we put all the plans together collectively, are  
17 the commissions appropriate?

18 Secondly would be myself. The other would  
19 be compensation and then, lastly, compliance and  
20 legal.

21 So that isn't just one person.

22 Q. Who is the relevant person in compensation  
23 that you refer to?

24 A. Robert Lampka, who I had referred to  
25 earlier, L A M P K A.

1 know, the general, overarching policy of incentive  
2 plans -- and then we would add the business  
3 specific.

4 Q. What are the business-specific details of  
5 the incentive plans that relate to the mortgage  
6 division?

7 A. We have a number of plans. Are you speaking  
8 only to sales officers? Who are you speaking to?

9 Q. Yeah. I'm speaking to -- when you say  
10 "sales officers," you're referring to loan  
11 officers --

12 A. Yes.

13 Q. -- and all those other positions?

14 A. I'm sorry.

15 Q. That's fine. I just -- they're all  
16 synonyms; correct? Sales officers?

17 A. Yeah.

18 Q. Okay. So the loan officers or sales  
19 officers, what incentive -- what variations are  
20 there in the incentive plans for them that are  
21 different from the policies -- incentive policies  
22 North America-wide for -- that are established  
23 with -- by Miss Kalamaras' group?

24 A. Well, for example, these folks are a  
25 commissioned sales group, so, obviously, it has to



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1 do partially with their draw; it has to do with --  
2 that they're paid on fundings, as well as -- or  
3 number of units, whichever is greater.

4 The basis points, how it's calculated, that  
5 is done by the business. What is excluded, such as  
6 employee loans, and it's all documented within the  
7 plan itself.

8 What happens if people transfer within the  
9 mortgage sales -- so if I'm going from one sales  
10 manager to another sales manager, how those loans  
11 transfer with me and how they're paid, so --  
12 variations strictly to how the individual might be  
13 paid is -- is really -- is the main thrust of it.

14 THE WITNESS: May I get a Kleenex?

15 MR. SCHWARTZ: Yeah. We can go off the  
16 record.

17 THE VIDEOGRAPHER: You're attached.

18 MS. BARRETT: Not anymore.

19 THE WITNESS: Not anymore.

20 THE VIDEOGRAPHER: Going off the record  
21 at 11:32 a.m.

22 (Whereupon, a recess was had at  
23 11:32 a.m., after which the  
24 deposition was resumed at  
25 11:39 a.m. as follows:)

1 customers, not the loan officers' customers, so they  
2 can't sell away, they can't solicit, that kind of  
3 thing.

4 As far as -- there's additional information  
5 regarding exclusions, such as following our  
6 statement of principle and business ethics. If they  
7 aren't -- that they can't accept gifts over a  
8 certain dollar amount, according to policies,  
9 anything that -- that kind of thing that follows our  
10 North American policies that they can't accept.

11 So those are offhand -- and, again, I'm  
12 speaking in only general terms because I don't have  
13 the newest and latest version with me.

14 But the overall -- if I might add, the  
15 overall premise and meat of it as to how they're  
16 paid is -- has pretty much remained the same.

17 Q. How do you decide, for a particular loan  
18 officer, how long they are salaried before they go  
19 to a recoverable draw system?

20 A. Well, first, they're not salaried. All  
21 right? And we have a draw policy, and, typically,  
22 it is a six-month time period that is a  
23 nonrecoverable draw. So it's forgiven.

24 If it's anything beyond that, it would  
25 depend upon the individual, their knowledge, their

1 skills, their experience in the industry, what they  
2 can bring forward to us as -- as additional  
3 guaranteed loans, but that is rare, and it's  
4 considered an exception if it's beyond the six  
5 months.

6 There would have to be a case-by-case  
7 scenario on each one.

8 Q. The typical six-month nonrecoverable draw,  
9 you said it's not a salary. What difference, if  
10 any, is there between a salary and the  
11 nonrecoverable draw?

12 MS. BARRETT: Objection; calls for a  
13 legal analysis and conclusion.

14 MR. SCHWARTZ: Go ahead.

15 A. I -- I just don't -- they're not salaried  
16 employees, which would possibly put them in a  
17 different class. They're a commissioned employee,  
18 so they would, in other words, receive commissions  
19 on top of that draw while it's forgiven for the  
20 first six months or whatever that time period is.

21 BY MR. SCHWARTZ:

22 Q. Okay. But they get a -- for -- typically  
23 for the first six months, sometimes longer in  
24 special cases, they get a base -- they get a base  
25 pay -- if you want to call it a salary or

1 nonrecoverable draw or whatever it is, it's a base  
2 pay that they're going to get, regardless of what  
3 sales they do?

4 A. That's correct.

5 I do want to clarify that further. There --  
6 that draw continues as a regular biweekly pay, just  
7 like any other employee within North America.

8 So, in other words, they're prepaid their  
9 commissions. So if I earn -- as an example, I've --  
10 I'm paid 4,000 -- or \$2,000 biweekly, but in that  
11 month I had 5,000 in commissions, then I am due, at  
12 the end of the month, an additional \$1,000 for  
13 commissions. All right?

14 On the other hand of that, being a  
15 commissioned employee, if I've gone beyond my  
16 forgivable -- forgiveness period, if I've earned  
17 only 3,000 but I was paid 4,000, then I turn into a  
18 deficit, and that deficit would come out of any  
19 future commissioned earnings.

20 And they receive monthly statements, you  
21 know, from finance detailing all of the commissions  
22 paid.

23 Q. Did there come a time when you changed the  
24 commission system -- or commission -- sorry --  
25 the -- the base pay system such that the loan

1 officers are only receiving \$23,000 a year as -- as  
2 a base?

3 A. As part of the draw policy, it -- the draw  
4 is based upon the individual -- all right? -- and  
5 there is a tier based upon loan production.

6 So if I'm earning historically enough  
7 fundings that I can have a hundred-thousand-dollar  
8 draw, well, then I can have a hundred-thousand-  
9 dollar draw.

10 If I'm not and my draw doesn't support that,  
11 the minimum draw is the -- the Federal minimum, the  
12 23, what, 660? I can't remember the exact numbers  
13 but in the \$23,000 annual range.

14 But they're notified in advance that "Your  
15 draw can change at the end of the six months,"  
16 whatever that period is.

17 And if they aren't meeting the minimum  
18 production, their manager should be having  
19 conversations with them, and they would know by  
20 their own monthly statements that they're not  
21 meeting the minimum production standards.

22 Q. Loan officers, as -- as you said, will be in  
23 a deficit situation if they -- after the . . . the  
24 first six months typically -- if they don't fund  
25 enough loans to pay for the -- the draw.

1           Do they have -- they then have to pay that  
2 money back to the company?

3           A. Well, as I stated, if they are in a deficit  
4 period, it would come out of any future commissions.

5           So the next month I might very well make  
6 that up. I might make -- do that 5,000.

7           So the thousand dollars I was a deficit  
8 from, then I've broken even. I've earned my 4,000  
9 because, again, your commissions are being prepaid.  
10 We prepay the draw, so that's really what that is.

11           So if I didn't make it and I only made  
12 enough to recover 500, well, then, the next month  
13 that would carry over; it would come off of those  
14 future commissions.

15           Q. Right. But the month that you failed to  
16 produce enough loans, you could -- you could be paid  
17 zero and receive a -- a check that says "Negative a  
18 thousand"?

19           A. No.

20           Q. No?

21           A. No. They receive their biweekly draw.  
22 Despite the fact of whatever they -- they've earned,  
23 they are going to receive a biweekly draw.

24           Q. So you're saying, no matter what deficit an  
25 employee is carrying, they're receiving their

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1 A. Uh-huh.

2 Q. Are you aware that loan officers are -- have  
3 required attendance at HSBC facilities?

4 A. For meetings or -- I'm not sure --

5 Q. That they're required to report -- that loan  
6 officers are required to report to HSBC's facilities  
7 on a regular basis.

8 A. "HSBC's facilities" is pretty broad. If  
9 it's a regular basis for a monthly meeting,  
10 quarterly meeting -- I'm not sure -- if it's a  
11 day-to-day basis, no, they shouldn't be required to  
12 be doing that.

13 Because, again, the branch is only one piece  
14 of their referral source. Do they have to let that  
15 branch know where they are so that appointments can  
16 be made for them? Sure. But for them to be  
17 physically at that location, in presence, eight  
18 hours a day, no, that is not a requirement.

19 MR. SCHWARTZ: I'll show you a  
20 document, Exhibit 4. This was previously marked by  
21 Defendant MORT 174.

22 (The document was thereupon  
23 marked Deposition Exhibit  
24 No. 4 for identification as of  
25 December 19, 2007.)

1 BY MR. SCHWARTZ:

2 Q. Have you ever seen this document or a  
3 document of this nature before?

4 A. No.

5 Q. Okay.

6 A. Excuse me. Other than reviewing it in Sue  
7 Marczak's deposition.

8 Q. Okay.

9 A. But prior to that, no.

10 Q. You did review it prior to the deposition  
11 today, though?

12 A. Yeah.

13 Q. Okay. So you knew that, in fact, loan  
14 officers -- and this is just an example -- are  
15 required to attend at HSBC Bank branches on a daily  
16 basis here, as exhibited here in Exhibit 4?

17 MS. BARRETT: Objection. The document  
18 speaks for itself.

19 A. I would say this is -- this would  
20 identify -- and in looking at this -- that you have  
21 to have coverage for a branch. Let me explain.

22 Our loan officers -- the bank is the  
23 customer of the mortgage corporation. We're  
24 servicing their customers.

25 So if I'm given three branches that are part



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1 of my territory that I'm covering, that would be  
2 indicated so that my branches know who to call and  
3 when to call. And, if I'm out of the office -- oh,  
4 and there's another loan officer to assist you --  
5 that's all this identifies to me. This is stating  
6 that you have to have branch coverage but not that  
7 you have to be physically there.

8 I would dispute that.

9 If I can continue to clarify --

10 BY MR. SCHWARTZ:

11 Q. No. I don't think there's a question  
12 pending.

13 So I -- just to -- the question I have is,  
14 so it's your testimony that -- that the managers in  
15 the mortgage division do not require their employees  
16 to be physically present at the HSBC branches?

17 MS. BARRETT: Objection; misstates  
18 testimony.

19 A. That the loan officers -- and -- and I can  
20 testify that I've also recruited some of these loan  
21 officers, not Philip Wong or Frederic by any means.  
22 But part of that recruitment process and  
23 interviewing process is that they are entrepreneurs,  
24 that the branch is just one piece of their referral  
25 source.

1           They're expected to have the face time --  
2           and, again, the face time is just what I explained  
3           to you, was attending meetings, making sure they  
4           know who they are, they're referring business back  
5           and forth to one another, that the business -- the  
6           branches are their clients, so, of course, they want  
7           to keep them happy.

8           That they are going to be there on a  
9           day-to-day basis? No. That they should be in one  
10          office on a day-to-day basis? No. They should be  
11          out and about. They're an outside sales force, and  
12          that's clearly reiterated to them a number times and  
13          what the expectations are for them to get the  
14          business.

15          And to get the business in a day-to-day  
16          branch, sitting there is not going to make them  
17          successful.

18          And that's also explained to them. The  
19          branch is only one source.

20          BY MR. SCHWARTZ:

21           Q. You just testified a number of things. You  
22           said that -- that the loan officers are an outside  
23           sales force and that this is clearly reiterated to  
24           them a number of times.

25           A. Uh-huh.

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1 were -- but it's not your testimony they were told  
2 that they should be spending more than 50 percent of  
3 their time outside of the branch?

4 A. As I stated before, we don't say how much  
5 percentage that they should be out; they should not  
6 be tied to the branch.

7 Q. Okay.

8 A. The expectation is they don't have to be  
9 there and shouldn't be there eight hours a day every  
10 day. That is just one referral source.

11 Q. Do you know to what extent, if any, loan  
12 officers are told that their primary responsibility  
13 is to the branch?

14 A. I -- I couldn't comment to that. Sales  
15 managers -- it depends upon the territory.

16 Q. And the . . . the term "outside sales," what  
17 conversations did you use that term in with -- you  
18 said you -- you've used that in conversations with  
19 the loan officers.

20 A. It . . . just reclarifying that you're  
21 outside salespeople. You're entrepreneurs, you're  
22 commissioned a sales force, and again, hence,  
23 that -- it's implied just by the term of  
24 "commissioned sales force" and how they're paid.

25 What -- when and how I used it -- I use it

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AFTERNOON SESSION

WEDNESDAY, DECEMBER 19, 2007

1:23 P.M.

THE VIDEOGRAPHER: This marks the beginning of Tape 3 in the deposition of Jeanette Jennings. Going on the record. The time is now 1:23 p.m. Please proceed.

BY MR. SCHWARTZ:

Q. Miss Jennings, are you in a position to answer questions on behalf of the company about technology issues like how long particular data is retained and what systems are used and how they function, things of that nature?

A. No. No. I would have to say no.

Q. Okay. Well, the -- you gave some testimony  
referencing job descriptions for the sales  
assistants and for the loan officers. How -- how  
are those drafted? What's the process?

A. Input from the manager. We have particular  
job description templates that you use which will  
identify a summary of the role, the knowledge and  
duties of the role, the requirements of the role,  
such as if there's a required degree or anything  
like that, experience level.

The manager would come up with that. We

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1 would review it for the manager -- does it make  
2 sense? Did it contain the pertinent details of what  
3 was required? -- and then compensation would review  
4 those, put them in the right format -- they might  
5 revise slightly -- and then do the necessary  
6 testing, if you will, for any FLSA and then  
7 market-price them and put them in the proper  
8 banding.

9 Q. The testing for the FLSA that you described,  
10 what are you referencing there?

11 A. As to whether they're exempt or nonexempt,  
12 the determination.

13 Q. How do you do that?

14 A. That you would have to confer with Bob  
15 Lampka on. We don't do that in human resources.  
16 The compensation division does that.

17 Q. So you have no involvement with any of the  
18 classifications of loan officers or sales assistants  
19 or, as they're now called, mortgage . . . sales  
20 support specialists?

21 A. We don't get involved in any of the  
22 classifications for any job. That is all  
23 compensation.

24 Q. And whenever you reference "compensation,"  
25 you're referring to HSBC Finance Corporation?

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1 Q. Do you have . . . national performance  
2 standards that apply to all of your loan officers  
3 and -- and standards that apply to all of your  
4 mortgage sales support specialists?

5 A. As far . . . let me -- can I narrow that  
6 down a little bit?

7 Q. Yes, please.

8 A. All right.

9 As far as national standards, every employee  
10 has standards they have to -- to meet. It's their  
11 key accountabilities. It's their job. All right?

12 And then we have annual reviews that are  
13 reflected upon that.

14 So, for example, if we're talking about --  
15 again, the two roles. There's mortgage support, the  
16 clerical function. It would be whatever they need  
17 to be doing, and their manager would review that on  
18 an annual basis with them.

19 What they might be doing in their duties in  
20 New York might be different in California, based  
21 upon what their manager needs. Okay? But the  
22 overall crux of it, the overall core  
23 responsibilities would be the same, and that's what  
24 they would be evaluated on. So a relative  
25 assessment of people in like jobs.

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1 And that is then chunked down based upon  
2 geographics and regions -- I don't get involved into  
3 that process -- and from there, based upon like  
4 regions, what are the minimum standards that  
5 everyone needs to meet.

6 And, yes, there is a minimum standard that  
7 loan officers need to meet. What that is, I'd have  
8 to look back at their annual review because it's  
9 inserted into their annual review process --

10 Q. That would be --

11 A. -- and as part of their business plan.

12 Q. Right.

13 A. Excuse me.

14 Q. And that would be -- David Gates would --  
15 would be the person who would be involved in  
16 figuring out what the actual numbers were for --

17 A. Yes.

18 Q. -- for -- sorry -- the actual numbers were  
19 for sales targets for the loan officers?

20 A. Yes.

21 Q. But in terms of the overall structure of the  
22 performance accountability and assessment, that  
23 would be the same formula for each position  
24 nationwide?

25 A. For the core responsibilities, yes. If

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1 there's anything beyond that, just as my own  
2 position -- my manager and I may set , "Oh, and, by  
3 the way, I'm giving you some additional things that  
4 I require of you this year --"

5 Q. Right.

6 A. "-- in addition to these," so that might be  
7 also between manager and the employee, as well.

8 Q. Right.

9 A. But the core, yes, they're the same  
10 nationwide.

11 Q. Right. And then, likewise, there's a . . .  
12 there's a national protocol with respect to how  
13 employees are disciplined; is that right?

14 A. We have a performance management process, yeah.

15 Q. Could you describe your performance  
16 management process.

17 A. Well, the overall performance management  
18 process -- there -- there are certain steps. Now,  
19 depending upon what the infraction is that that  
20 person's being disciplined, all those steps may or  
21 may not have to be followed.

22 So, obviously, if it's a regular performance  
23 issue, we would begin with, obviously -- there would  
24 be verbal discussions ahead of time. My manager, if  
25 I'm not meeting my goals, would be having a



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1 conversation with me about -- with coaching and  
2 mentoring -- to help me succeed: "Okay. You don't  
3 seem to be -- you seem to be struggling. What are  
4 you struggling about?"

5 And if it continues, the manager would have  
6 to indicate that -- you know, "I have to tell you  
7 you aren't meeting the minimum requirements as  
8 necessary, and if this continues -- you know, I hate  
9 to see you continue down this path because then I  
10 might have to take further disciplinary process."

11 So during that verbal discussion, the manager would.

12 If it still doesn't improve, the manager can  
13 then go to a final written warning to say, "There's  
14 still no improvement." All right?

15 Now, if the employee is inconsistent -- they  
16 might improve and they might come up a little bit  
17 and then a slight back down -- that manager may  
18 or -- may take one other step and just say, "You  
19 know what, I might -- let's just do a written  
20 warning because I think I'm seeing something here.  
21 We want to see you succeed." So they can go from a  
22 verbal to a written or skip right to the final.

23 And then, if there is still no improvement,  
24 then there would be a termination process.

25 But, again, that's just basic performance.

1 Depending upon what the infraction was, all of those  
2 steps may be completely skipped and go right to  
3 termination, such as defalcation or fraud or forgery  
4 or something like that, something very serious.

5 Q. What's defalcation?

6 A. Stealing.

7 Q. Oh. Wow. I passed the bar. I've never  
8 even heard that word. I know a few synonyms for  
9 "stealing." That's a whole new one. This is great.

10 So this performance management process,  
11 where is it published?

12 A. I believe it's right on Inside HR. There's  
13 also training that we've given the managers, and  
14 there's a managers guide that we've produced. So  
15 it's within our intranet system.

16 Because the employees can access it  
17 themselves to ensure that -- "Am I being given my  
18 due?" if you will. So it's public.

19 Q. When you say "Inside HR," what does that  
20 mean?

21 A. That is our -- Inside HR is where all  
22 policies related to employees are posted.

23 Q. Okay.

24 A. So it has to do with benefits, time-off  
25 policy, adoption policy. Anything and everything

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1 Q. -- would follow the same performance  
2 management process?

3 A. They should be, yes.

4 Q. Okay. And that process requires ongoing  
5 coaching or mentoring, first of all; right?

6 A. It -- it's recommended for the ongoing  
7 coaching and mentoring, yes. That should be at  
8 least a monthly review -- it's also in their  
9 business plan, a monthly review with the manager.

10 Q. And -- and then the -- the first step of  
11 progressive discipline would be a -- a verbal  
12 warning?

13 A. Right.

14 Q. Followed by a -- either a first written  
15 warning or a final written warning; right?

16 A. Right, either one.

17 Q. And then how long after that written  
18 warning -- again, assuming this has to do with  
19 inadequate sales or kind of a run-of-the-mill  
20 performance issue -- how long before the  
21 termination -- the employee could be terminated?

22 A. It would depend upon that individual's  
23 performance and what is a reasonable amount of time  
24 for us to see has there been any improvement.

25 Typically speaking, we're looking for the

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1 30 days; however, if it's within the first 2 weeks,  
2 2 1/2 weeks that there isn't one application, they  
3 haven't done anything further on the call  
4 monitoring, they're not doing any of the things they  
5 need to do to improve, it can be sooner.

6 But, typically, we would want to see a  
7 reasonable amount of time, and that's typically  
8 30 days, you know. We want to see at least that.  
9 But it's dependent upon the individual and their own  
10 performance.

11 Q. And is that 30-day norm set forth in your  
12 online -- in your performance management process?

13 A. We don't specify time frames. We specify  
14 reasonable amounts of time to pass in order for you  
15 to reasonably assess that individual's performance  
16 for their improvement or that it hasn't improved  
17 and -- in order to take the necessary steps.

18 You have managers that may give longer than  
19 that. It all depends upon, you know, the  
20 performance of the person.

21 Are they truly trying to do the right things  
22 and you can see that they're trying to do the right  
23 things? That makes a difference. If someone has  
24 shut down and isn't doing anything -- not reporting,  
25 not responding or whatever the case might be -- it

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1 could be sooner than that, so it's really a  
2 case-by-case scenario.

3 But in answer to your question, it doesn't  
4 specify an exact time frame.

5 Q. But you train managers that the norm of a  
6 reasonable time would be about 30 days?

7 MS. BARRETT: Objection; assumes facts  
8 not in evidence.

9 MR. SCHWARTZ: Go ahead.

10 A. We recommend to our managers what is  
11 reasonable. Thirty days is normally reasonable, and  
12 we explain the same thing -- just as I said to  
13 you -- "But if you don't see any performance, please  
14 contact us." If we have to take that time -- we  
15 have to up that time frame, it has to be sooner.

16 BY MR. SCHWARTZ:

17 Q. Okay. And . . . as a manager goes through a  
18 progressive discipline policy, through this  
19 progressive discipline policy or this -- I guess  
20 you're calling it performance management process --  
21 are they required to interact with HR, with your  
22 team for the mortgage division folks -- are they  
23 required to interact with you about meeting each of  
24 these steps?

25 A. Not about meeting each of these steps.

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1 STATE OF ILLINOIS )  
 ) SS.

2 COUNTY OF DU PAGE )  
3

4 I, Melanie L. Humphrey-Sonntag,  
5 Certified Shorthand Reporter No. 084-004299, CSR,  
6 RDR, CRR, FAPR, and a Notary Public in and for the  
7 County of DuPage, State of Illinois, do hereby  
8 certify that previous to the commencement of the  
9 examination, said witness was duly sworn by me to  
10 testify the truth; that the said deposition was  
11 taken at the time and place aforesaid; that the  
12 testimony given by said witness was reduced to  
13 writing by means of shorthand and thereafter  
14 transcribed into typewritten form; and that the  
15 foregoing is a true, correct, and complete  
16 transcript of my shorthand notes so taken as  
17 aforesaid.

18 I further certify that there were present at  
19 the taking of the said deposition the persons and  
20 parties as indicated on the appearance page made a  
21 part of this deposition.

22 I further certify that I am not counsel for  
23 nor in any way related to any of the parties to this  
24 suit, nor am I in any way interested in the outcome  
25 thereof.

1                   IN TESTIMONY WHEREOF I have hereunto set my  
2   hand and affixed my Notarial Seal this 28th day of  
3   December, A.D. 2007.

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6                     
                    Certified Shorthand Reporter



                    Registered Diplomate Reporter

                    Certified Realtime Reporter

                    Fellow of the Academy of  
                    Professional Reporters

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10   My commission expires  
     February 17, 2010

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